UNITED NATIONS

DP

Governing Council of the United Nations Development Programme

Distr.
GENERAL

DP/1994/6/Add.2
10 January 1994

ORIGINAL: ENGLISH

COUNTRY PROGRAMMES AND MID-TERM REVIEWS

Mid-term review of the fourth country programme for India

Report of the Administrator

SUMMARY

The fourth country programme for India, covering the period April 1990 to March 1995, was approved by the Governing Council at its thirty-seventh session (1990), with a total indicative planning figure (IPF) of $175 million. The programme was reviewed at the mid-term review meeting in New Delhi in May 1993. The review concluded that the country programme continued to be relevant to India's priorities. In order to bring the country programme period into harmony with both the Government's planning period and the UNDP financial cycle, an extension of two years, until the end of 1996, was proposed.

In an attempt to sharpen the focus further and to enhance the impact of the country programme, the meeting concluded that the number of objectives included in the Programme should be reduced from six to five, omitting export promotion as a free-standing objective. The meeting also underscored that greater emphasis should be given to establish linkages to the users of technology and to shift from a supply-driven to a demand-driven approach in research and development projects. In considering new proposals, attention should be given to their impact on poverty alleviation. Finally, it was agreed that the programme approach should be applied whenever possible to reduce the number of stand-alone projects.

CONTENTS

		Paragraphs	Page
Executive summary			3
I.	PROCESS AND PARTICIPATION	1 - 7	5
II.	PROGRAMME RELEVANCE AND ACHIEVEMENTS	8 - 17	6
III.	PROGRESS IN ACHIEVING OBJECTIVES	18 - 33	8
IV.	GOVERNING COUNCIL AREAS OF FOCUS AND SPECIAL CONCERNS	34 - 55	11
V.	OPERATIONAL ISSUES	56 - 59	15
VI.	AID COORDINATION AND RESOURCE MOBILIZATION	60 - 62	16
VII.	CONCLUSIONS AND RECOMMENDATIONS	63 - 67	17
VIII.	ACTION PLAN FOR FOLLOW-UP	68	18

EXECUTIVE SUMMARY

The fourth country programme for India - the third largest fifth-cycle country programme - was approved by the Governing Council in May 1990 with a total UNDP input of $175 million. The mid-term review was conducted in May 1993.

For the first time in India, the Resident Representative, in his capacity as Resident Coordinator of the United Nations system of operational activities, took the lead in organizing the mid-term review alongside a joint review of the Joint Consultative Group on Policy (JCGP) programme of technical cooperation for the country in line with General Assembly resolution 47/199. The joint review set in motion a process for greater cooperation and programme harmonization among the JCGP agencies.

Preparations for the review started in September 1992 and included intensive discussions with the Government, a review of past experiences, studies on specific issues, and consultations with United Nations specialized agencies. Based on these, a joint issues paper was prepared in accordance with the new mid-term review guidelines as well as supporting notes providing a thorough analysis of critical issues and detailed statistics.

The contours of an economic reform programme were already taking shape when the fourth country programme was formulated in 1989. This made it possible to project likely new Government programmes that would require UNDP technical cooperation.

The fourth country programme was approved by the Governing Council with indicative allocations reflecting the relative importance assigned by the Government to six areas of concentration: (a) sustainable growth in agriculture and industry; (b) enhancing industrial productivity and competitiveness; (c) natural resources management; (d) export promotion; (e) development of transport and communications; and (f) development of social infrastructure. Since 1990, a total of 64 projects and two large programmes with total UNDP inputs of $101 million and government counterpart contributions of $75 million in local currency have been approved. Implementation has so far been consistent with the indicative allocations made at the time of approval.

In addition, necessary adjustments were made during implementation, in response to the introduction of the Government economic reform measures and the thematic focus mandated by the Governing Council in its decision 90/34. This is reflected in the human development country initiatives, which are focused, inter alia, on capacity development in analysis and problem solving for the social sectors and on assessment of prevailing patterns for the provision of social services in support of current efforts to develop a comprehensive human development strategy.

In terms of results, the fourth country programme has led to the establishment and/or strengthening of institutions, the acquisition of advanced technology, upgrading of existing research and development facilities and services, and enhanced knowledge and skills. Sustainability of the project

/...

results remained a key issue and was fully addressed by the mid-term review. To enhance sustainability, the following measures are pursued: linkage-building; end-user/beneficiary participation and cost-sharing; reduction of government subsidies to institutions; greater emphasis on demand-driven financial viability; practical application of acquired technology; and more effective dissemination of project results.

India has also taken pioneering steps in the area of the programme approach by approving two large programmes in the leather and jute sectors. These programmes address a range of issues relating to technology upgrading, productivity increase, quality improvement, product diversification, support facilities and services, export promotion as well as gender-in-development and environmental concerns. Various innovative arrangements are being tried in output production, beneficiary involvement, funding mechanisms, and programme management. As these two programmes were initiated at a very early stage of the UNDP programme approach, their implementation has been marked by a trial and learning process.

Another significant achievement is in national execution, which accounts for nearly half of the total budgetary commitments of ongoing projects.

The mid-term review concluded that while programme implementation was in general according to expectations, sharpening the focus of the programme was required by consolidating its objectives to bring them more in line with the new thrust in government policy, Governing Council decision 90/34 and the comparative advantages of UNDP. This would also help to reduce the number of projects in the future.

The review also acknowledged that the areas of focus of Governing Council decision 90/34 have been addressed in varying degrees of intensity and at different intervention levels. In this regard, it was further emphasized that the programme should focus increasingly on upstream activities through the programme approach.

The review underscored that, in considering new proposals, particular attention should be given to their impact, inter alia, on: poverty alleviation; the status of women; environment management and pollution control; bringing the benefits of technological advances within the reach of the poor; and blending modern with traditional technologies.

It was recommended to extend the fourth country programme by two years beyond 1995 to coincide with the current government five-year plan and the fifth programming cycle of UNDP. A task force was set up to give effect to the recommendations of the mid-term review.

I. PROCESS AND PARTICIPATION

1. The fourth country programme for India - the third largest United Nations Development Programme (UNDP) country programme - covers the period April 1990 to March 1995. Approved by the Governing Council in May 1990, the programme aimed at meeting the country's technical cooperation needs and requirements within the framework of the Government's development programmes and priorities identified when the programme was formulated. Since then, major developments have taken place that have had an impact on the activities of the programme: India has launched a comprehensive economic reform programme and the Governing Council, in its decision 90/34, has specified a thematic focus for its global development cooperation priorities. The ways in which these developments were jointly addressed by the Government and UNDP were the main reference points for the mid-term review.

2. The mid-term review was held from 20-21 May 1993, by which time the Government's economic reform process had gained momentum. This timing presented a unique opportunity for cooperation between UNDP and the Government to respond more closely to the reform and to the country's needs; it also presented a clear challenge of utilizing limited technical cooperation resources to move towards the goal of sustainable human development.

Review by the Joint Consultative Group on Policy (JCGP)

3. The mid-term review was carried out at the same time as the first joint review of the Government's programme of cooperation with JCGP, consisting of UNDP, the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the International Fund for Agricultural Development (IFAD). In his capacity as Resident Coordinator of the United Nations system's operational activities for development in India, the Resident Representative took the lead in organizing the JCGP review in pursuance of General Assembly resolution 47/199.

4. In preparation for the joint review, consultations were held between JCGP agencies and their respective government counterparts to review ongoing activities, assess progress, and identify areas for further action. The JCGP agencies prepared a common-issues paper entitled "Promoting Human Development in India: Implications for JCGP Initiatives", which highlighted national development concerns, the roles and contributions of the agencies, lessons learned, and directions for future cooperation between JCGP and the Government.

The process of the mid-term review

5. The process for the mid-term review began in September 1992 and culminated with the mid-term review meeting of May 1993. It involved a series of discussions over a period of six to eight months between the Government and UNDP, the preparation of specific studies on programme areas of concentration, a review of programme implementation and consultations with United Nations executing agencies. On this basis, a joint issues paper was prepared by the Government and UNDP.

6. The joint issues paper brought forward a number of issues that would influence future cooperation, particularly: (a) the Government's recent economic reform programme; (b) the actual limited size of external assistance compared to the country's actual needs; (c) the changing UNDP global concerns; (d) declining indicative planning figure (IPF) resources; (e) implementation issues; (f) capacity-building and sustainability; (g) adoption of the programme approach and the need for adjustments during its implementation; and (h) the need for greater emphasis on human development, poverty alleviation and grass-roots participation.

7. Supporting notes consisting of detailed statistics and analyses of key issues were also prepared. With the joint issues paper, these notes formed the basis for discussion during the mid-term review meeting. Minutes of the meeting were prepared to reflect the exchange of views, the conclusions and recommendations, and the required follow-up actions. Those minutes served as core material in the preparation of the present report.

II. PROGRAMME RELEVANCE AND ACHIEVEMENTS

Programme context

8. The contours of an economic reform programme, which evolved into a distinct policy orientation by mid-1991, were already discernible when the fourth country programme was being formulated in 1989. These were reflected in the policy guidelines issued by the Government in May 1989, in which UNDP cooperation was seen as a catalytic mechanism that would, inter alia: meet key technology needs; improve productivity and competitiveness through research and development; reduce pollution and improve working conditions; support health, family planning, education and poverty alleviation programmes where UNDP interventions can provide the technological spark; establish linkages amongst assisted institutions; integrate the interests of women, children and the handicapped; support small and medium-scale private industry; strengthen existing institutions rather than establish new centres; and use the equipment component of projects to facilitate technology transfer and not to bridge capital gaps.

9. In July 1991, the Government launched a structural adjustment programme (consisting of short-term stabilization measures to control inflation, reduce fiscal deficit and restore the balance of payments) coupled with new initiatives to stimulate long-term growth through a free market system. The eighth five-year plan, released in 1992, further emphasized the shift from an inward-looking, protected economy to a more liberal, outward-looking development strategy. The plan underscored human development as the core of all development efforts and called for the people's involvement in the process of development.

Resource situation

10. The IPF resources currently available for the country programme period (April 1990 to March 1995) amount to $158 million taking into account the 25 per cent reduction in fifth cycle resources. This figure includes government cost-sharing of $2.2 million. The total expenditure and financial commitments

as of May 1993 were $140 million leaving only $18 million available for programming (see annex I).

Programme implementation

11. When the fourth country programme was approved by the Governing Council in 1990, approximately one hundred projects with commitments of more than $50 million were carried over from the third programme. Since then, 66 projects (including two programmes), with a total UNDP input of $101 million and a government counterpart contribution of $75 million in local currency, have been approved.

12. Of the projects approved since 1990, 41 percent have budgets below $700,000. Of the smaller projects, four are preparatory assistance projects; others are aimed at building capacity in upstream policy areas relating to planning and human resource development. The proportion of small, discrete projects will decrease with the approval of several larger projects/programmes now in the pipeline.

13. Compared with projects of the third programme, which were largely oriented towards institution-building and capacity-building with strong emphasis on research and development and technology transfer, projects are, in general, geared to enhance linkages with the end-users, i.e., either the private sector or other segments of the population. The two programmes for leather and jute production are multithematic and address more than one objective. Five projects addressing human development concerns had not been foreseen at the time of formulation but comply well with Governing Council decision 90/34. In order to bridge the gap between technical cooperation, development processes, and community involvement, the role of development communications has been intensified to reach target beneficiaries, development partners and practitioners more effectively.

14. Indicative resource allocations reflecting the relative importance given by the Government to each of the programme objectives were made when the Governing Council approved the programme. The mid-term review reveals that the implementation was, by and large, according to expectations. The resource distribution, planned and committed, is shown in annex II.

Overall programme results

15. It is too early to assess the overall impact of the fourth country programme, on India's development objectives since the leather and jute programmes and several projects were approved only in the last year and a half. None the less, the importance of the programme may be gauged in a number of ways. It is clear that it has been able to support high priority government programmes in six key development areas, as reflected in the objectives, by addressing the technical cooperation needs identified at the time of programme formulation. In addition, adjustments were made during implementation, in response to changing circumstances at the national level and to new UNDP global concerns.

16. In terms of orientation, technology transfer continued to form the bulk of cooperation during the period, particularly since many research and development and technology-oriented projects were carried over from the third programme. However, there has been a deliberate effort to make these projects more user-relevant and economically viable. Along with the human development country initiatives, there has also been a conscious move to bring the benefits of improved technology within reach of the poor segment of the population. There has been a gradual shift in the orientation of projects to address poverty alleviation, community participation, and sustainable development. The delay in the identification, formulation and approval process has to some degree slowed down the shift, however. This suggests that more efforts are needed to streamline project identification, design, appraisal and approval procedures; synchronize the timing of government and UNDP resource contributions; and formulate and issue more definitive programming and financial guidelines, particularly with regard to the programme approach.

17. With regard to results, a number of research and development institutions have been established and/or strengthened, existing facilities have been upgraded, and advanced know-how has been acquired. However, the sustainability of project results remains a key issue. Accordingly, measures to enhance sustainability are pursued, such as: enhancing linkages with end-users; participatory approaches; cost-sharing arrangements; reduction of government subsidies to research and development institutions; demand-driven technology and financial viability; and more effective dissemination of results.

III. PROGRESS IN ACHIEVING OBJECTIVES

18. Considerable progress has been made in six areas of concentration in the fourth country programme as shown below.

Sustainable growth in agriculture, water and forestry

19. In agriculture, the main focus has been on the transfer and application of modern technology to improve productivity. Notable progress has been achieved in biotechnology research for plant improvement, development of low-cost bio-fertilizer, management of water and land resources.

20. Important research efforts have been undertaken in the field of forestry and wildlife management that will impact the well-being of the poor living in forest areas and help to conserve the natural wealth of the country. A national environment action programme and a national forestry action programme, which both support sustainable development, are under implementation.

21. The improvement of systems and techniques to accelerate and sustain agricultural growth continues to be relevant. Since most poor farmers are dependent on rainfed or dryland farming for their livelihood, greater emphasis will be placed, in the remaining period of the programme, on these types of agriculture. Initiatives in organic farming and integrated pest management will also be pursued. Grass-roots participation in the management of common property resources will be encouraged to increase the productivity of small land holdings.

Enhancing industrial productivity and competitiveness

22. In large measure, the country programme has been directed towards industry and technology transfer. This is partly due to the large number of technology-oriented projects carried over from the third programme and the continued priority given by the Government to upgrading technology and building-up research and development capabilities with a view to enhancing productivity, optimizing the use of raw materials and upgrading product quality. UNDP assistance has aimed at making industry more competitive: its capacity-building effort has focused more on institution-building and the implementation of national programmes than on the development of a coherent strategic perspective for industrial development. UNDP assistance to small-scale industry has focused on productivity, quality improvement, income-generation and employment issues.

23. A review of UNDP-assisted high tech and electronics projects implemented under the third country programme indicates that although institutional capabilities in specific areas have, to a large extent, been established or enhanced, their financial viability and technological currency continue to be major problems. Accordingly, the focus of technology-related projects needs to be shifted from institution-building to linkage-building, from provision of high-tech equipment to human resource development and from a supply to a demand-driven approach. Hence, a more conscious effort is undertaken not only to build strong linkages but also to encourage industry participation in the formulation, management and cost-sharing of projects.

24. Concerted efforts have also been made to reorient the fourth country programme interventions in the industry sector from individual stand-alone projects to more catalytic interventions. In this connection, India has begun to adopt the programme approach with the launch of the national leather development programme ($15 million) and the jute sector programme ($23 million) in 1992.

Energy, minerals and environmental management

25. The building up of the capacity to harness energy from fossil fuel and non-conventional sources has emphasized technology transfer and human resource development in such areas as reservoir engineering and enhanced oil and gas recovery techniques. Work has also been undertaken on energy conservation and the operation and control of power systems.

26. With regard to the environment, natural resource management and conservation, one of the most successful projects, the control of forest fires, is now managed by the Government. In addition, support has been given to the establishment of a wildlife institute and to strengthening capacities in wildlife management and eco-development planning. Another facet of UNDP advocacy of environmental concerns is the support given to environment-oriented non-governmental organizations, the initiation of a policy dialogue, the organization of conferences, and support for publications on important environmental issues.

27. Some of the issues that need to be addressed in the area of energy, natural resources management and the environment are similar to those of industry, e.g.,

the establishment of linkages and the need to emphasize the human resource development aspect of technology transfer. For the remainder of the programme, environmental considerations will be given greater importance.

Export promotion

28. Export promotion as a strategy has been taken up only recently by making it a major component of UNDP programme approach interventions. For example, the leather and jute programmes include components such as development of new export products, the improvement of quality and productivity and the preparation of export marketing plans and strategies. Being the main engine of export growth, the private sector, particularly small and medium enterprises, participate actively in these activities.

29. The current economic reform programme places strong emphasis on the expansion of export earnings. Thus, export development and promotion will be included in projects where applicable in the remaining period of the programme.

Development of transport and communications

30. Although railways are potentially the most energy efficient, environment-friendly and economical means of passenger and freight transport, the share of railways in the transport sector has been shrinking, largely because of the inability of the Indian railways to upgrade rolling stock and increase throughput. Consequently, UNDP assistance to the Indian railways has focused on: (a) restructuring its organizational set-up and operational systems and (b) strengthening its research and development and engineering capabilities.

31. Another significant area lies in the development of a national policy for intermodal transportation, including the largely untapped potential of inland waterways. The results of this initiative are expected to lead to the development of projects for funding by the World Bank, the Asian Development Bank (AsDB) and bilateral donors.

32. In telecommunications, capacity-building efforts address human resource development through the strengthening of regional training centres and the establishment of user-oriented quality standards and assurance systems to encourage private industry in the provision of telecommunication equipment and specialized services.

Development of social infrastructure

33. Since the Government already provides a wide range of direct services and substantial resources to the social sectors, the fourth country programme has concentrated on a few human resource development programmes to upgrade capabilities in public administration, labour, health and development planning. In the health sector, UNDP assistance has been directed to: the treatment and prevention of kala-azar (leishmaniasis); the training of health workers in malaria control, particularly for tribal people; occupational health; and the prevention of HIV/AIDS, as a component of the intercountry programme. To strengthen public sector administration in the implementation of the current economic reform programme, training will continue to be provided to senior and

middle-level civil servants (as well as to private sector managers) on various aspects of the economic reform process. Other social infrastructure initiatives are closely linked with upstream, i.e., policy-oriented activities undertaken within the framework of the human development country initiatives.

IV. GOVERNING COUNCIL AREAS OF FOCUS AND SPECIAL CONCERNS

34. The Governing Council approved the fourth country programme for India at the same session that it adopted decision 90/34. Although this decision had not been foreseen during the formulation of the country programme, deliberate efforts were made to adhere to it during implementation. As a result, the six areas of focus can be found, in varying degrees of intensity and at different intervention levels in the projects approved during the last three years. This indicates the relative priorities given by the Government to integrating the areas of focus into UNDP-assisted projects. A sample analysis of 63 ongoing projects indicates by percentage the specific areas of focus from Governing Council decision 90/34: technology transfer - 68 percent; natural resources management and environment - 41 percent; poverty eradication/grass-roots development and gender in development - 35 percent; and management development - 23 percent. The integrated programmes such as those for leather and jute cover most of the areas of focus.

35. Considering the magnitude of resources required to realize poverty alleviation strategies and operationalize the human development concept for a large country like India, and in light of the high priority accorded by the Government to these issues, preference is given to integrating these themes in the concept and design of projects rather than formulating separate projects to address them exclusively.

Human development

36. The human development country initiatives in India are breaking new ground by moving upstream UNDP support to the Government. In this connection, focus is given to the development of analytical capacity in the social sectors and to the assessment of patterns in the provision of social services with a view to supporting the development of a comprehensive human development strategy. Some of the initiatives taken are: evaluation of existing sources for generating fresh data on human development indicators across occupations and socio-economic groupings; policy research training on access to, and pricing of, health and education services; social protection for vulnerable groups; and exploration of development alternatives. Fresh perspectives on all these areas are expected to result while building up national analytical capacities and strengthening programme management by state agencies and NGOs.

37. Another aspect of the human development country initiatives is the support, although modest, given to potentially innovative UNDP interventions to develop district-level action plans in different agro-climatic zones. Based on the paradigm of "sustainable rural development", these action plans aim to cover: food security systems and viable self-employment schemes; a pro-poor, pro-women, pro-nature bias in technology development and dissemination; human resource capacity-building for sustainable economic growth; and ecological protection for

sustainable advances in biomass productivity. It is envisaged that the implementation of these action plans will be funded by a consortium of state financial institutions and commodity boards, chaired by the Prime Minister.

38. As part of the UNDP advocacy role in the promotion of human development, support has been given to a number of important initiatives such as the convening of a parliamentary forum on human development; the organization of national seminars on major human development issues; and the publication and dissemination of seminar papers and specific studies on human development.

Environment

39. Following the 1992 Earth Summit, the Government agreed with UNDP to adopt a three-pronged strategy for the latter's interventions in sustainable development: (a) support to national programmes and projects, mostly in the field of forestry management and wildlife conservation and propagation; (b) appraisal of project proposals based on Agenda 21 principles and the UNDP environment management guidelines; and (c) advocating sustainable development through discussions, seminars and workshops.

40. The Global Environment Facility (GEF) provides another window for furthering environmental concerns complementing activities of the country programme. GEF-financed projects include electricity generation from small hydro-electric plants in hilly regions; development of bio-energy from industrial and municipal wastes; reduction of greenhouse gas emission; eco-development; and provision of small grants for NGOs.

41. While Agenda 21 and United Nations Conference on Environment and Development (UNCED) proclamations call for reorientation of priorities, the quantum of financial commitments has so far been less than expected. Sources such as GEF and the Multilateral Fund of the Montreal Protocol, for which the Government has designated UNDP as the lead United Nations agency in country programme formulation, are focused on projects addressing global concerns. There is a need to identify priority projects dealing with environmentally sustainable development to be financed by these additional funds.

Gender in development

42. UNDP and the United Nations Development Fund for Women (UNIFEM) have collaborated with the Government in continuously advocating gender-in-development concerns and in supporting key projects of strategic importance to a large number of poor women. In gender sensitization, training programmes have been carried out for key government policy makers, gender-in-development working groups have been organized, and the capacity of a national rural development institution has been enhanced. Further, a number of UNDP-assisted projects have significant gender-in-development components, as in the case of hand-made paper, the gemstone industry, hybrid rice production, essential oils production and the leather and jute programmes. Following a gender-in-development strategy adopted in 1990, all proposals for assistance under the fourth country programme are reviewed for their gender-in-development potential.

Capacity building

43. Although projects implemented under previous country programmes have succeeded in establishing and/or enhancing institutional capability, major problems remain on sustaining institutional financial viability and on supporting technological currency. Thus, conscious efforts have been made to induce the sustainability of project results by involving technology end-users and other beneficiaries from formulation to implementation. Particular care has been taken not to approve institution-building projects unless there are clear user linkages. In a number of cases, as in the leather and jute programmes and in the automotive components and machine tools projects, the financial contributions of recipients and/or the payment of user charges have been built into the projects. This strategy will be pursued in the future.

Programme approach

44. The UNDP programme approach was first introduced in India. Despite the absence of clear-cut guidelines, two major nationally executed programmes, in leather and jute, were both launched in 1992. These programmes were intended to address, in a comprehensive manner, critical problems associated with a particular sector involving complex cross-sectoral linkages. In a flexible manner, these path-breaking initiatives deal with a mix of issues, such as: optimum resource utilization; technology upgrading; productivity and quality enhancement; product diversification; strengthening of support facilities and services; and export promotion. Moreover, these programmes address important environmental concerns such as pollution control, working conditions, environmentally friendly technologies, resource conservation and balanced exploitation. Improving the welfare of a large number of people, especially women, who are dependent on leather and jute for their livelihood, is a key objective.

45. Being a pioneering effort, the implementation of these programmes entailed, to some extent, ad hoc decisions, experimentation and frequent interaction with UNDP headquarters and with the Government. Although it was a learning process, the experience yielded gratifying results. In the short run, the most perceptible impact of these programmes has been the vigour injected into a struggling industry (jute) and the excitement offered by the vast potentials of a healthy new industry (leather), particularly with the involvement of private sector enterprises.

46. Another outcome of the programme approach in India is the innovative approaches and arrangements in technical cooperation that are being pilot-tested, such as: the horizontal and vertical link-up of the various components and participants in the programmes; the impetus given to the development of indigenous technology; private sector participation in decision-making and cost-sharing arrangements in technology upgrading; and complex financing and programme management arrangements. While it is too early to assess the viability and effectiveness of these new approaches/arrangements, there are indications that substantial progress is being made in achieving the desired results.

47. Based on the experience gained, the programme approach will be used, as appropriate, at different stages of the national programme cycle, from policy analysis to programme implementation and evaluation, and at different levels of sectoral or cross-sectoral interventions. Accordingly, the application of the programme approach is foreseen in areas such as the development of organic agriculture, the development of oilseeds, the management of water resources and the improvement of public administration services.

National execution

48. There has been considerable growth in the national execution of UNDP-assisted projects in India since its inception in 1986. From an annual budgetary commitment of $1.4 million in 1986, nationally executed projects have increased to $18 million in 1992, nearly half of the total budgetary commitment for that year. The share of nationally executed projects in the total approved budget for 1993-1996 is 62 per cent. This share will increase further during the remaining programme period.

49. To accelerate the shift towards national execution, a Programme Logistical Support Project was established to enhance project management capacity and familiarize national institutions with the new procedural and operational requirements. A comprehensive national execution manual has been prepared and a series of training programmes have been conducted. However, it was noted during the mid-term review that several issues related to national execution remain, e.g., the need to develop capacity assessment methodologies and measurements.

50. The services provided by United Nations specialized agencies have also been tapped by nationally executed projects in the implementation of project components and for technical backstopping purposes, mainly through the recently introduced new support cost arrangements. Allocations of $978,000 under TSS-2 and $1.3 million under TSS-1 have been made to India for the biennium 1992-1993. Most of the TSS-1 proposals are expected to be implemented during 1993-1994. However, TSS-2 budgets have been incorporated in 17 new projects with a total allocation of $577,000. The training course organized at the end of 1992 for concerned government officials and UNDP field office staff has been useful in accelerating the use of the new support costs arrangements. The specific technical backstopping services secured from the specialized agencies is expected to enhance the quality of projects/programmes outputs.

Private sector development

51. Special attention has been given to the role of the private sector, particularly in the context of current economic reforms. In collaboration with chambers of commerce and industry associations, several initiatives have been taken to generate awareness of the new policy environment, facilitate interaction with industrialists from other countries and promote foreign direct investments. Extensive use has also been made of the United Nations International Short-Term Advisory Resources (UNISTAR) and Transfer of Knowledge Through Expatriate Nations (TOKTEN) programmes in the transfer of technological know-how, particularly for the benefit of small and medium enterprises.

Non-governmental organizations

52. The involvement of NGOs in UNDP-assisted projects has been sought, congruent with the theme of poverty eradication and grass-roots participation specified in Governing Council decision 90/34. However, if NGO participation is to expand further, it may be necessary to modify current UNDP accountability norms and procedures to enable NGOs to assume greater responsibilities in project implementation.

United Nations Volunteers

53. While India has provided a large number of United Nations volunteers to assist other developing countries, India has also benefitted to a limited extent from volunteers coming from neighbouring countries. Working at the grass-roots level, the United Nations Volunteers/Domestic Development Service (UNV/DDS) programme has been involved in income-generating activities in the rural areas.

Intercountry programme and TCDC

54. India is an active participant in several intercountry programmes (ICPs), hosting specific components of the programmes on farm-centred agricultural resource management, trade development, transport and communications, community-based water and sanitation, and integrated urban management. Importantly, India hosts the ICP project on HIV/AIDS, which aims at raising awareness of the socio-economic implications of this pandemic throughout the Asia and Pacific region. Suitable linkages are being increasingly established between country programme projects and ICP programme components.

55. India hosts a variety of training activities, advisory and consultancy services for technical cooperation among developing countries (TCDC) under the Indian Technical and Economic Cooperation (ITEC) programme of the Government. In addition, following bilateral agreements with other developing countries, individual and group training programmes have been organized in the country. Initial moves are afoot to encourage the formulation of an integrated programme encompassing TCDC, TOKTEN, UNISTAR, UNV and any other related modalities.

V. OPERATIONAL ISSUES

56. With shifts in UNDP priorities, as articulated in Governing Council decision 90/34 and other policy directives, the field office has assumed a significantly increased responsibility in the formulation of project proposals, usually with the involvement of national consultants, who synthesize the priorities of the Government and UNDP.

57. The mid-term review reiterated the concerns of both the Government and UNDP about the long process of project preparation and approval and the consequent low rate of implementation. It was pointed out by the Government that delays in approvals and/or preparation of work plans can cause lapses of allocated counterpart funds and hold up projects. This may result in an escalation of costs and technology obsolescence.

58. A study of third country programme projects conducted by the Central Evaluation Office (CEO) in 1991 noted delays in project implementation, particularly in the provision of UNDP inputs for fellowships, study-tours and the delivery of equipment. The impact of such delays is noticeable, most commonly in the need to extend the projects. The Government/UNDP annual review of June 1992 discussed this issue and recommended that problems causing the delays should be brought to the attention of the Government in time for effective intervention. Consequently, the Government issued a circular to all ministries to expedite timely clearances relating to fellowships and the recruitment of experts and consultants.

59. In order to reinforce the above measures, the mid-term review called for: the streamlining of project appraisal and approval procedures; the preparation of realistic cost estimates and workplans; the organization of a results-oriented joint monitoring, review and evaluation system; adherence to the tripartite nature of evaluation exercises; strengthening the mechanism for follow-up on decisions taken during the tripartite review; and termination of projects defaulting on activity for a period of one year.

VI. AID COORDINATION AND RESOURCE MOBILIZATION

60. Despite its modest size and declining trend, external assistance in India is seen as contributing significantly in facilitating technology transfer and, to a lesser extent, in the balance-of-payments management. The United Nations system contributes approximately $243 million (3.4 per cent of total Official Development Assistance (ODA) annually, with UNDP as the largest multisectoral technical cooperation programme in India.

61. The mid-term review reaffirmed that aid coordination and resource mobilization are the principal responsibilities of the Government. However, the Government recognizes the role of the United Nations Resident Coordinator system in ensuring greater coherence and complementarity within the United Nations family's development cooperation activities in India. The Resident Coordinator participates in the Aid India Consortium and presents a collective view, on behalf of United Nations specialized agencies, of the country's socio-economic and long-term perspectives as well as those of the United Nations system's funds and programmes.

62. Although there are some cost-sharing and co-financing arrangements in a few projects, the experience so far in resource mobilization has been rather limited. Greater efforts will be made to mobilize resources, on a selective basis, taking into consideration the facilitating role and political neutrality of UNDP. Cost-sharing with the Government and with private sector participants in projects will also be pursued.

VII. CONCLUSIONS AND RECOMMENDATIONS

63. The mid-term review concluded that the implementation of the fourth country programme has largely been in consonance with the original objectives of the programme and that the resources committed were in line with expectations. The areas of concentration have not only been broad enough to accommodate emerging trends in national development strategies but implementation has also been flexible in responding to changing priorities brought about by the Government's economic reform programme as well as the focus given by UNDP on sustainable human development.

64. While it was agreed that implementation is generally progressing smoothly in terms of original objectives and resource allocations, the mid-term review concluded that there is still room for giving the programme sharper focus by consolidating the objectives in the light of the new thrust in government policy and the comparative advantages of UNDP.

65. The specific conclusions and recommendations of the mid-term review are as follows:

(a) The programme should be extended for two years beyond 1995 to coincide with the period of the eighth five-year plan and the fifth programming cycle;

(b) In consolidating the objectives of the programme and in selecting projects, particular attention should be given to:

(i) Poverty alleviation;

(ii) Bringing the benefits of technological advances within the reach of the poor and blending modern with traditional technologies;

(iii) Shifting projects oriented towards research and development to building linkages between producers and users of knowledge;

(iv) Seeking technical assistance for large capital-intensive projects from the suppliers of the capital required;

(v) Focusing UNDP technical cooperation in the area of infrastructure on strategies for new areas of planning;

(vi) Increasing the thrust of export promotion by integrating and/or mainstreaming it in projects rather than maintaining it as an independent objective;

(vii) Enhancing the potential and status of women;

(viii) Providing policy-oriented UNDP assistance, especially in accelerating human development;

(ix) Promoting sustainable use of resources, management of the environment and control of pollution;

(x) Orienting public administration training towards development rather than regulation;

(c) In the light of limited programmable resources, project proposals in the pipeline should be prioritized on the basis of the above considerations;

(d) More efforts should be made to addressing human development and the thematic concerns contained in Governing Council decision 90/34, and to intensifying the use of the programme approach and national execution, taking into account the national development framework, and the gradual nature of the process;

(e) Concerned about the freeze in IPF resources, the Government expressed the hope that the situation is temporary rather than an indication of a declining trend;

(f) Specific measures should be taken to accelerate programme development and implementation, including the appropriate restructuring of operational mechanisms for project approvals. Periodic programme implementation reviews should be undertaken;

(g) A joint Government/UNDP task force should be established to consolidate the objectives and prioritize the pipeline of the fourth country programme.

66. The mid-term review process, although long and intensive, has provided additional opportunity to cement further the existing Government/UNDP collaboration with the end result of sharpening the focus of the fourth country programme and streamlining its implementation.

67. The joint Government/JCGP review set in motion a process for strengthening greater cooperation and collaboration between the JCGP agencies. The JCGP review, however, warned of over-bureaucratization and called for the development of a flexible framework within which the relative advantages of each agency can be most effectively utilized. In light of the Government's comprehensive planning processes and well-established aid coordination mechanism, the validity of a country strategy note may require further consideration. However, through the preparation of a common JCGP issues paper, a beginning has been made in addressing common themes and harmonizing agency strategies and operational plans to support the Government's development programmes and priorities.

VIII. ACTION PLAN FOR FOLLOW-UP

68. In order to give effect to the mid-term review conclusions and recommendations, the following action plan was drawn up:

Formation of the Government/UNDP task force	June 1993
Consolidation of fourth country programme objectives	July 1993
Review and prioritization of pipeline projects	July-September 1993
Preparation of budgetary and implementation targets	October 1993
Preparation of schedule for new project approvals	October-November 1993

Annex

FINANCIAL SUMMARY

I. RESOURCES

A. Resources available for country programme period

	$	$	
IPF		155 800 000	a/
Estimated cost-sharing		2 200 000	
Joint programme funding		-	
Total		158 000 000	a/

B. Commitments

Approved programme/project budgets b/			
Approved and allocated IPF	119 000 000		
Approved and unallocated IPF	18 000 000		
		137 000 000	
Approved and allocated cost-sharing	2 200 000		
Approved and unallocated cost-sharing	-		
		2 200 000	
Pipeline programmes/projects			
IPF	-		
Cost-sharing	-		
		-	
Total		140 000 000	

C. Balance of resources available for further programming

IPF	18 000 000	
Cost-sharing	-	
Balance of resources available	18 000 000	c/

a/ Compared to the $175 million originally anticipated for the fourth country programme; the reduction results from the 75 per cent IPF programming limitation.

b/ "Approved and allocated" refer to those programmes and projects approved by the Action Committee or Bureau PAC for which there exist detailed, signed documents and budgets. "Approved and unallocated" represent the balance of funds available to the programme or project which have yet to be reflected in specific budget lines.

c/ This figure represents the net balance of IPF and cost-sharing resources available plus joint programme funding less approved and allocated/unallocated IPF and cost-sharing funding less pipeline IPF and cost-sharing.

II. PROPOSED (P) AND ACTUAL (A) ALLOCATION OF RESOURCES BY AREA OF CONCENTRATION

(United States dollars)

Area of concentration	IPF		Percentage of total	
	(P)*	(A)**	(P)	(A)
Sustainable growth in agriculture	36 000	25 325 786	24.8	25.2
Enhancing industry productivity and competitiveness	63 000	54 223 900	43.4	53.9
Energy, minerals and environmental management	8 000	4 810 500	5.5	4.8
Export promotion	12 000	1 299 200	8.3	1.3
Development of transport and communications	10 000	5 519 800	6.9	5.5
Development of social infrastructure	16 000	9 468 650	11.0	9.3
Total	145 000	100 647 836	100.0	100

* Based on the tentative allocations made at the time of CP-IV approval. Projects carried over from CP-III are not included.

** The actual allocation relates only to projects/programmes approved CP-IV.